

Executive Summary July 2009

The Revenue Estimating Conference has adopted recommended interest rates for use in the state planning and budgeting process. The first is a long-term interest rate used for government issues of 20 years or more initiated in the years displayed below:

Long-Term Interest Rate

Fiscal Year	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Interest Rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

The second rate is a short-term (or variable) interest rate of 3.00%.

Both rates have been reduced from the prior forecast; however, they still take into account the current and historic volatility of the credit market. They will be revisited in the Fall of 2009.

Interest rates used for calculations supporting the Public Education Capital Outlay (PECO) program are determined separately.